

# **FISCAL NOTE**

## **HB 2967 - SB 3057**

March 1, 2002

### **SUMMARY OF BILL:**

- Amends TCA 67-4-409(a)(1) by amending the definition of "value of the property" to be the actual sales price included on the documentation when the property is sold in an arms-length transaction for less than the tax appraisal value. Under current law "value of the property is defined as the amount the property would command at a fair and voluntary sale.
- The bill would also prohibit a register of deeds from refusing to file a deed simply because the purchase price of the property is less than the tax appraisal value, if the property is sold in an arms-length transaction upon a fair market sale and a copy of the real estate sales contract agreement or settlement statement which contains the amount of the actual sale at less than the tax appraisal value is presented at the time of recordation together with an affidavit as to the selling price or value of the property. Failure to record the deed would be classified as a failure to perform an official duty of TCA 8-13-110 and is punishable as a Class C Misdemeanor. Under current law, failure to perform an official duty of TCA 8-13-110 and is punishable as a Class C Misdemeanor.

### **ESTIMATED FISCAL IMPACT:**

#### **Decrease State Revenues - Not Significant**

Although provisions of the bill change the definition for assessing the amount of recordation tax due, the changes are not estimated to significantly impact state revenues.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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